

EXHIBIT "A"

US EPA RECORDS CENTER REGION 5



494210

AGREEMENT

THIS AGREEMENT made and entered into as of the 1st day of June, 1976, by and between CITIES SERVICE OIL COMPANY, a Delaware corporation, with offices at Cities Service Building, P.O. Box 300, Tulsa, Oklahoma 74102 ("Cities") and LLOYD L. HODGES, doing business as THE HODGES COMPANY, with offices at P.O. Box 1127, Oklahoma City, Oklahoma 73101 ("Hodges").

W I T N E S S E T H :

WHEREAS, Cities has a Refinery situated in East Chicago, Indiana (the "Refinery") on land described in Exhibit "A" hereto from which it desires to sell for removal certain process equipment and interconnecting lines to Hodges; and

WHEREAS, Hodges desires to purchase said process equipment interconnecting lines and to perform the necessary work of removal thereof from the Refinery;

NOW, THEREFORE, in consideration of the promises and benefits herein contained and provided for, the parties intending to be legally bound, agree as follows:

1. Purchase and Sale. Cities agrees to sell to Hodges and Hodges agrees to purchase from Cities, in accordance with the provisions of this Agreement, the refining process equipment and interconnecting lines described on Exhibit "B" hereto (the "equipment"). It is understood and agreed that the items described in Exhibit "C" hereto are those items which are within and upon the Refinery premises, but which are specifically excluded from the sale by Cities to Hodges hereunder, and shall not be subject to this Agreement. In addition to the equipment, Cities shall deliver and transfer all available drawings, manuals, performance data and spare parts which it may presently have on hand at the Refinery which pertain to the equipment. Cities shall have the right at its expense to make copies of all drawings, manuals and performance data delivered to Hodges.

2. Removal. Hodges agrees to perform at its sole expense, except as otherwise provided herein, the removal and relocation of the equipment, and in addition thereto the restoration of the Refinery premises to a condition satisfactory to Cities following such removal and relocation. Except as otherwise expressly provided herein, Hodges shall pay all costs and expenses associated with the removal and relocation, including, without limitation, fees, permits, labor and associated payroll expenses including all insurance, gas-freeing, necessary blinding, equipment rental, tools, subcontracts, transportation, work force accommodations and special utilities. For the accommodation of Hodges' work force, Cities shall at no charge to Hodges furnish to Hodges the exclusive use of the engineering and office building, the change building and the cafeteria building during the period of dismantling and removing the equipment (but in no event beyond June 1, 1981). In addition, during such period

ies shall furnish to Hodges at no charge to Hodges drinking water, sewerage, and guard service necessary for the accommodation of the work of Hodges hereunder.

**3. Payment, Right and Time of Removal.**

a. Hodges shall pay the total purchase price to Cities for any item listed in Exhibit "A" hereto before beginning the removal thereof from the Refinery premises. Such payment shall be made by Hodges at least 7 days prior to removal by certified or cashier's check.

b. Hodges has paid to Cities as initial payment on certain of the items listed on Exhibit "B" attached hereto, the sum of One Million Dollars (\$1,000,000), receipt of which is hereby acknowledged. Hodges agrees to make an additional payment of \$850,000 by July 1, 1976. This total sum of One Million, Eight Hundred and Fifty Thousand Dollars (\$1,850,000) represents entire payment for only those units of the equipment listed on Exhibit "B" marked with an asterisk ("\*") opposite such units under the heading "Required Payment Date". Hodges agrees to make an additional payment of One Million, Two Hundred and Four Thousand Dollars (\$1,204,000) on or before July 1, 1977 and a payment representing the balance of Nine Hundred and Forty-Six Thousand Dollars (\$946,000) by June 1, 1981; each of these payments represents the entire payment for only those units of equipment listed on Exhibit "B" corresponding to the applicable payment dates for such units as shown on Exhibit "B". Further, Hodges agrees not to remove any units, or portions of units listed on Exhibit "B" without having made payment for the unit as listed on Exhibit "B" in its entirety. Cities agrees that Hodges may begin such dismantling prior to payment as may be required to optimize use of certain heavy equipment, but the dismantled property will not leave the premises prior to payment in full by Hodges for the entire unit in its entirety as listed on Exhibit "B". Concurrently with the payment required by Hodges on July 1, 1976, Cities shall execute and deliver to Hodges an appropriate Bill of Sale covering the units of equipment marked with an asterisk on Exhibit "B". Concurrently with the payments by Hodges required to be made by him on July 1, 1977 and on June 1, 1981, Cities shall execute and deliver to Hodges appropriate Bills of Sale covering the units of equipment for which payments are required on such dates as shown on Exhibit "B" opposite such units under the heading "Required Payment Date". Such Bills of Sale shall contain a warranty of title only as provided below and shall acknowledge payment in full for the units covered thereby, reserving no lien or other rights therein by Cities.

In the event any payment is not made by Hodges as provided in the Schedule "B" on or before the date specified thereunder, then Cities shall have the right to terminate this Agreement forthwith by delivery of written notice thereof to Hodges with respect to all units of equipment which are not paid for in full on such date, whether or not payment is then due for same.

**4. Condition of Equipment.** THE SALE OF THE EQUIPMENT HEREUNDER IS ON AN "AS IS" BASIS AND IS WITHOUT WARRANTY AS TO FITNESS, OPERATIONAL CAPABILITY, PERFORMANCE, WORKMANSHIP AND COMPLETENESS THEREOF, OR ANY OTHER WARRANTIES NOT EXPRESSLY STATED HEREIN. Cities does warrant title to the equipment. Risk of loss on each unit of equipment shall pass to Hodges

upon execution and delivery by Cities to Hodges of the Bill of Sale provided for herein covering such unit of equipment. In the event of destruction or substantial damage of any unit of equipment (except that caused by Hodges or any person acting on his direction) prior to payment for such unit by Hodges under the payment schedule shown in Exhibit "B", Hodges shall be relieved of his obligation to make payment of the purchase price of such unit hereunder. Removal of equipment from, and restoration of the premises will proceed notwithstanding damage to such equipment following the execution and delivery of the Bill of Sale by Cities to Hodges covering such equipment.

5. Disposal; Safety Standards. Hodges shall dispose of all insulation, scrap and scrap pipe, and demolished buildings, and will do so ratably. It is further understood that safety and fire protection of concurrent terminaling operations by Cities must have utmost consideration, and the dismantling work will be consistent with the safety requirements of that terminaling operation, and in compliance with all instructions and standards related thereto which may be furnished by Cities to Hodges. Cities will provide at its expense for electrical disconnection of each unit of equipment and for isolation and disconnection of the unit from Cities terminaling operations. Cities and Hodges shall detail and acknowledge accomplishment of such disconnections and isolation by mutually satisfactory written memorandum signed by the authorized representatives of Hodges and Cities prior to the beginning of the dismantling of the unit.

6. Taxes. Unless otherwise provided herein or by law, Hodges shall pay all taxes, charges and contributions now or hereafter imposed on, or with respect to or measured by the compensation paid to persons employed in connection with performance hereunder, and Hodges shall indemnify Cities against any liability and expense by reason of Hodges' failure to pay the same.

7. Indemnification. Hodges agrees that it will, at its cost and expense, defend, indemnify and hold Cities harmless from and against all present and future claims, demands, suits, actions, proceedings and litigation arising out of any alleged liability for or on account of any injury to or death of any person or animal, damage to any property whatsoever, and labor or material liens, arising out of or on account of any work performed by Hodges on Cities' premises, and fees, commissions, or other compensation claimed by any third party because of alleged services performed or rendered for Hodges in connection therewith. Hodges further agrees that it will, on Cities' demand, promptly pay all losses, costs, damages, obligations, judgments, expenses and fees suffered or incurred by Cities by reason of any such claims, demands, suits, actions, proceedings, or litigation.

8. Force Majeure. Except for the payment of monies when due hereunder, either Hodges or Cities shall be excused from performance of the obligations hereunder when and to the extent that such performance is delayed or prevented by any circumstances reasonably beyond control, or by fire, explosion, any strike or labor dispute, or any act or omission of any governmental authority.

9. Liens, Insurance, Work Conditions. To the extent that this Agreement calls for work to be performed upon the property owned or controlled by Cities, Hodges agrees that as an Independent Contractor hereunder it will:

a. Furnish all materials, labor, licenses, permits and other things necessary for performance, and otherwise perform expeditiously and in a good and workmanlike manner;

b. Keep the premises and work free of all claims, liens and claims of liens and Hodges shall deliver to Cities satisfactory releases, satisfactions or waivers of all claims, liens, and claims for liens connected with performance under this Agreement. Removal of all the equipment by Hodges shall not relieve Hodges of its obligation to discharge any lien filed previous to or subsequent to the completion of the removal work with respect thereto and Hodges hereby expressly acknowledges this duty and obligation;

c. Purchase, provide or cause third parties to provide for his benefit the following insurance covering Hodges, his subcontractors and joint venturers operations hereunder:

- (1) Insurance which shall comply with the Workmen's Compensation and Occupational Disease laws of the state or states in which the work is to be performed and Coverage B, Employers' Liability insurance with a minimum limit of \$100,000. The purchase of commercial Workmen's Compensation insurance is not required if Hodges has state approval to carry as own risk.
- (2) Comprehensive General Liability insurance covering operations performed under the contract, including coverage for liability assumed in this Agreement, with minimum damage limits of \$100,000 for bodily injury to each person and \$300,000 each accident and property damage of \$100,000 each accident.
- (3) Automobile Liability insurance covering all owned, non-owned, and hired motor vehicles used in connection with the work contracted with minimum damage limits of \$100,000 for bodily injury to each person and \$300,000 each accident and property damage \$100,000 each accident.
- (4) Subrogation -- All policies of insurance held or obtained by Hodges and each subcontractor, whether required by this Agreement or not, shall be sufficiently endorsed to waive any and all claims by the underwriters or insurers against Cities, its said co-owners and joint venturers, and its and their officers, directors, agents, employees and invitees, for injuries, deaths, losses or damages covered by such policies. Certificates evidencing such insurance coverage and waivers shall be furnished Cities.
- (5) That failure to comply with any of the provisions of this paragraph 9c for a

period in excess of sixty (60) days after written notice from Cities will entitle Cities to terminate this Agreement at any time\* and also to recover from Hodges any payment or payments made by Cities, by reason of such failure. *TH*

d. Indemnity -- Hodges shall defend, indemnify, protect, and hold harmless Cities, its co-owners and joint venturers (if any) in the project covered hereby or in connection with which the work or operations covered or contemplated by this Agreement are to be performed, and its and their officers, directors, agents, employees and invitees, from and against injuries to or illnesses or deaths of any and all persons and losses or damages to property caused by, resulting from, occurring in connection with, or arising out of, the performance or non-performance of this Agreement or the prosecution of work or operations covered or contemplated hereby, wheresoever or howsoever caused, and from and against all liabilities, claims, actions and judgments therefor, together with costs and expenses (including attorneys' fees) incurred in connection therewith.

e. Perform the work in a safe manner and adhere to all applicable Federal and State safety standards and regulations promulgated pursuant to the Occupational Safety and Health Act of 1970, as well as all safety procedures of Cities. Hodges hereby acknowledges it has inspected the work area and is fully informed of all existing conditions at the work site which may create a safety hazard, including those conditions to which Federal, State and Local Safety and/or health laws and regulations may be applicable.

f. It is the intent of the parties hereto that the terms herein will control irrespective of any subsequent execution of a work order, purchase order, receipt or similar instrument by an employee, representative, or agent of Cities.

10. Non-Discrimination. By execution of this Agreement Hodges agrees that it will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. Hodges will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, color, sex, or national origin. Hodges will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor.

11. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other, but Cities hereby consents to any collateral assignment by Hodges to CRA, Inc. of all or any part of Hodges rights hereunder to secure the performance of any obligation hereafter incurred by Hodges to resell certain units of the equipment to CRA, Inc. and to deliver them to Coffeyville, Kansas; provided that Cities' performance hereof in favor of CRA, Inc. or any party other than Hodges with respect to entry on Cities premises and removal of the equipment shall be subject to the prior assumption and performance by such party of all covenants and obligations of Hodges hereunder with respect to any unit of equipment sought to be removed.

\* as to any of the units of the equipment not the

12. Notices. All notices required or permitted under this Agreement shall be in writing. Such notices shall be deemed given if deposited in the U.S. Mail as registered or certified mail, return receipt requested, postage prepaid and addressed to the party to whom notice is being given at the address set forth above for said party. This shall be without prejudice to either party to accomplish delivery of written notice by any other means. Either party may change the address to which notices under this Agreement are to be directed as to such party by notice given in the manner provided herein.

13. Waiver, Entirety of Contract. The waiver of any breach of any of the covenants, conditions or stipulations hereof shall not be taken to be a waiver of any subsequent breach of same or any of the covenants, conditions, or stipulations hereof nor shall any failure of Cities or Hodges to enforce its rights or seek remedies upon any default of Hodges with respect to his obligations hereunder or any of them, prejudice or affect the rights or remedies of Cities in the event of any subsequent default or defaults to Hodges. No prior stipulation, agreement or understanding of the parties or their agents in respect to the subject matter of this Agreement shall be valid or enforceable unless embodied in this Agreement or covered by these provisions. The right of either party to require strict performance of this Agreement shall not be affected by any previous waiver or course of dealings.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first above stated.

~~LOYD L. HODGES COMPANY~~

By [Signature]

CITIES SERVICE OIL COMPANY

Attest:

Lewis J. Haines  
ASSIST. SEC.

By R. B. Thomas <sup>gm</sup>  
C.K.J.

STATE OF OKLAHOMA )  
COUNTY OF TULSA )

BEFORE ME, Janice A. Burnett, Notary Public in and for Tulsa County, Oklahoma, this 1st day of June, 1976, personally appeared CITIES SERVICE OIL COMPANY, a Delaware corporation, by R. B. Thomas, its Vice President, and Lewis J. Haines, its Assistant Secretary, respectively, and acknowledged the execution of the foregoing instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal of office on this 1st day of June, 1976.

Janice A. Burnett  
Notary Public

STATE OF OKLAHOMA )  
COUNTY OF TULSA )

BEFORE ME, Janice A. Burnett, Notary Public in and  
for Tulsa County, Oklahoma, this 1st day of June, 1976,  
personally appeared LLOYD L. HODGES d/b/a THE HODGES COMPANY,  
and acknowledged the execution of the foregoing instrument.

IN WITNESS WHEREOF I have hereunto set my hand and  
affixed my official seal of office on this 1st day of June,  
1976.

Janice A. Burnett  
Notary Public  
Tulsa County, Oklahoma

**EXHIBIT "A"**  
**LEGAL DOCUMENTS**

**PARCEL NO. 1**

- No. 367170** - CSO Deed No. 9 from Baldwin Locomotive Company to Empire Refining Company, Maine, dated March 22, 1929. Recorded in the Lake County, Indiana Recorders Office, Book No. 439, Page No. 11 on March 26, 1929.
- No. 113081** - Liquidation and Dissolution CSO Deed No. 9 from Empire Refining Company, Maine to Empire Oil and Refining Company, Delaware. Dated July 26, 1937, Recorded in Lake County, Indiana Recorders Office Book No. 568, Page No. 147 on July 26, 1937.
- No. 113917** - Liquidation and Dissolution CSO Deed No. 9 and Corrective of Prior Deed No. 9 from Empire Refining Company, Maine to Empire Oil and Refining Company Delaware. Dated August 4, 1937. Recorded in Lake County, Indiana Recorders Office Book No. 568, Page 430 on August 4, 1937.
- No. 7753** - CSO Deed No. 11 Grand and Dedication of Cline Avenue Pavement from Cities Service Oil Company, Delaware to City of Gary, Indiana, Dated September 28, 1940. Recorded in the Clerks Office of the Board of Public Works and Safety of the City of Gary Lake County, Indiana. Dated October 3, 1940.
- on No.** - Grand and Dedication of Cline Avenue Pavement from Cities Service Oil Company, Delaware to City of East Chicago, Indiana. Dated September 25, 1940. Recorded in the Clerks Office of the Board of Public Works and Safety of the City of East Chicago, Lake County, Indiana. Record No. 11, Pages 600-601, dated October 2, 1940.
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EXHIBIT "B"

Agreement Between Cities Service Oil  
Company and The Hodges Company,  
Dated June 1, 1976

<u>Units of Equipment</u>	<u>Sale's Price</u>	<u>Required Payment Date</u>	<u>Subtotals</u>
1. Cat Cracker & Gas Rec.	\$860,000.00	*	
2. Delayed Coker	516,000.00	*	
3. Crude Unit and CSU	430,000.00	*	
4. Pipelines, Tanks & A&S Unit	44,000.00	*	\$1,850,000
5. Catalytic Reformer	860,000.00	July 1, 1977	
6. Fuel Oil HDS	86,000.00	July 1, 1977	
7. Amine & SRU	172,000.00	July 1, 1977	
8. Two Flare Systems	86,000.00	July 1, 1977	1,204,000
9. Alkylation & Isom	860,000.00	June 1, 1981	
10. Boiler House	43,000.00	June 1, 1981	
11. Biological Facilities	43,000.00	June 1, 1981	946,000
Total	\$4,000,000.00		\$4,000,000

Exhibit "C"

1. Tanks, lines and facilities used in Cities' terminalling operations including Tanks No.: 1,2,3,4,5,6,7,8,9,10,11,C-9,C-10,C-11,C-12, C-1,C-2,C-3,C-4,13,14,15,16,17,18,19,20,21,22,25,26,27,28,30, 31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,51, 60,61,65,66,67,68,69,70,75,76,77,78,79,80,81,82,88,89,97,98 plus all inter-connecting lines and valves.
2. Product pumping facilities including dock pumps, light oil pumphouse, Wolverine, Badger, Westshore, Dock Pump Houses and inter-connecting lines and valves.
3. Systems of lines serving Wolverine, Badger, Westshore, Docks, Texaco-Cities Service, Hydrocarbon Transport, and Explorer, Gary, LPG Terminal. All of these lines are in service and must not be disturbed.
4. Lake Pumphouse and water supply mains to the Refinery.
5. API separator, pumps, scrapers and the entire plant sewer systems. Oil recovered by Hodges will be delivered into tanks provided by Cities, rather than dumped to the Plant sewer system, wherever practicable.
6. Main Refinery electrical substation, Wolverine substation and any substations in plant substation serving electricity to buildings on Cline Avenue or to any terminal operations or to perimeter lighting.
7. The plant fire-water, fire hydrant system including drinking water.
8. All buildings and their contents which front on Cline Avenue and the garage, warehouse, shop building, warehouse yard, maintenance office, and all fire houses. All flood lights on the terminal roadways.
9. The NGL-LPG facilities including the Horizontal 14 propane bullets, No. 360-373 inclusive, the transfer pump in the fuel oil pump house and attendant piping, up to and including the flare line and first support, terminating at present blind, just past main support (first support).
10. All scaffold equipment, planks and ladders throughout the plant; all pallets inside and outside the quonset huts.
11. Spheres = 400, 401, 402, 403, 404, 405, 406.
12. Butane Bullets No. 311-330 inclusive, total of 20.

c Straddle Carrier and other items of mobile equipment.

4. The Coring Crane at the coke pile location.
15. The Ethylizing facilities including 3 storage tanks, two circulating pumps and attendant piping.
16. Two Raymond coke pulverizers located in the Boilerhouse including blowers, hoppers and ductwork.
17. The following items of Process Equipment have been sold to others prior to January 26th:
  1. J-15B Clark RA-6 Compressor at Cat Cracker
  2. J-301 Motor & Switchgear at Alkylation
  3. J-1A Blower less Turbine from Cat Cracker
  4. CO6A-CO6B Reflux to Resid Exchangers at Coker
  5. J-6 Gas Oil Pump at Crude Unit with Driver
  6. J-6A Gas Oil Pump at Crude Unit less Turbine
  7. J-4 Bottom PA-Crude Topping Unit W/Driver
  8. J-2A Gasoline Reflux Pump, Coker Unit W/Driver
  9. 9-7 Decanned Oil Pump, Cat Cracker Unit, less Turbine
  10. C-12A, C-12B, C-12C Exchangers at Cat Cracker
  11. C-04A, C-04B located at Coker
  12. C-6A & C-6B located at Crude Unit
  13. F-12 Coke Condensate Drumn at Coker
  14. F-5 10 x 14-1/2 Acid Tank
  15. FG-3, FG-4 Fuel Gas Drums
  16. T-4-1 10' x 25' Vertical Tank
  17. F-11 6' x 30' Drum
  18. F-21 10' x 50' Drum
  19. F-14 9' x 42'6" Drum
  20. Coke Cutting and Boring Bits

EXHIBIT "B"



CITIES SERVICE COMPANY  
PETROLEUM PRODUCTS GROUP

Box 300  
Tulsa, Oklahoma 74102

August 20, 1979

Lloyd L. Hodges Company  
P. O. Box 1127  
Oklahoma City, OK 73118

Dear Lloyd:

This letter is to confirm the agreements dated May 21, 1979 and June 25, 1979 between Mr. Lloyd Hodges and Mr. R. V. Faith regarding the East Chicago, Indiana facility.

We have studied your recent proposals and agree to the reduction in the price of the alkylation unit as long as the following conditions are agreed upon:

1. You will return the change house, cafeteria, office, office annex and related parking lots as delineated in red in the attached print (Exhibit 1).
2. You will return the railroad ties, track, etc. to Cities Service which you state were sold to Mr. Nichols after you signed the contract with Cities Service.
3. You will return to Cities the railroad ties, track, etc. that go to the interior of the plant in the vicinity of Cat Cracker.
4. You will complete all work on the plant site except for that relating to the Cat Cracker structure and the boiler house by December 31, 1979, except as agreed to in Item 8.
5. By December 31, 1979, you will move all scrap to a designated staging area for shipment via railroad cars. The designated area will be agreed in advance between Cities and Hodges.
6. You will complete clean-up of the entire area.
7. Warehouse stock which you state was sold to others will be deleted from the contract.

Lloyd I. Hodges

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August 20, 1979

8. You will pay to Cities \$125,000 for the alkylation and isom unit (Item 9) instead of the \$860,000 as stated in the contract. However, if this unit shall not be removed by December 31, 1979, then you will pay an additional \$25,000 for the unit and all of the unit would be completely reclaimed and removed from the location by May 31, 1980. Full payment shall be made prior to the removal of this item.
9. The payment for the biological facility and the boiler house will be \$43,000 each, as stated in the original contract. These two units will be removed as outlined in this agreement. Full payment shall be made prior to the removal of these items. If the boiler house is not paid for and removed by October 31, 1980, it will remain owned by Cities Service.
10. As of the date of the signing of this letter agreement, you will release all buildings along Cline Avenue to Cities. *WITHIN 30 DAYS AFTER DATE OF THIS LETTER, HODGES WILL REMOVE ALL OFFICE FURNITURE, LOCKERS, ETC. FROM BUILDING*
11. After December 31, 1979, Cities has the right to develop the area as it wishes, but not in conflict with Hodges' operation.
12. The overriding consideration for the reduction in price of the alkylation and isom unit is that Mr. Hodges agrees to have all material and scrap in a designated area by December 31, 1979, with the exceptions noted above. Mr. Hodges must have completed his work and left the site by October 31, 1980.

Very truly yours,

*R. V. Faith*

R. V. Faith, Manager  
Terminal Operations

RVF:jc

Approved and accepted this

21<sup>st</sup> day of AUGUST, 1979

THE HODGES COMPANY

By

*Lloyd L. Hodges*  
Lloyd L. Hodges